



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

May 9, 2000

Paul Spor  
Tintic Utah Metals, LLC  
15988 Silver Pass Road  
P.O. Box 51  
Eureka, Utah 84628

Re: Finalization of the Reclamation Contract, Tintic Utah Metals LLC, Burgin Mine, M/049/009),  
Utah County, Utah

Dear Mr. Spor:

The Division received, from Mr. Tom Gast, a series of faxed submittals of Attachment "A" and supporting documents to sort out the permitted and bonded acreages that are tied to the current reclamation bond. The Division believes that at this point in time, we can request a reclamation contract which reflects the accurate acreage totals as shown in the May 8, 2000 faxed copy of Attachment "A". The supporting documentation will be included in our mine file. We have attached two maps from our files showing locations for ponds 2, 3, and 4 and ponds A, B, and C.

We have included a new reclamation contract (MR-RC) partially completed for your use. Please complete this contract and return it to us for Division signature. We will then send you copies of the executed contract. Thank you for your patience in getting this accomplished.

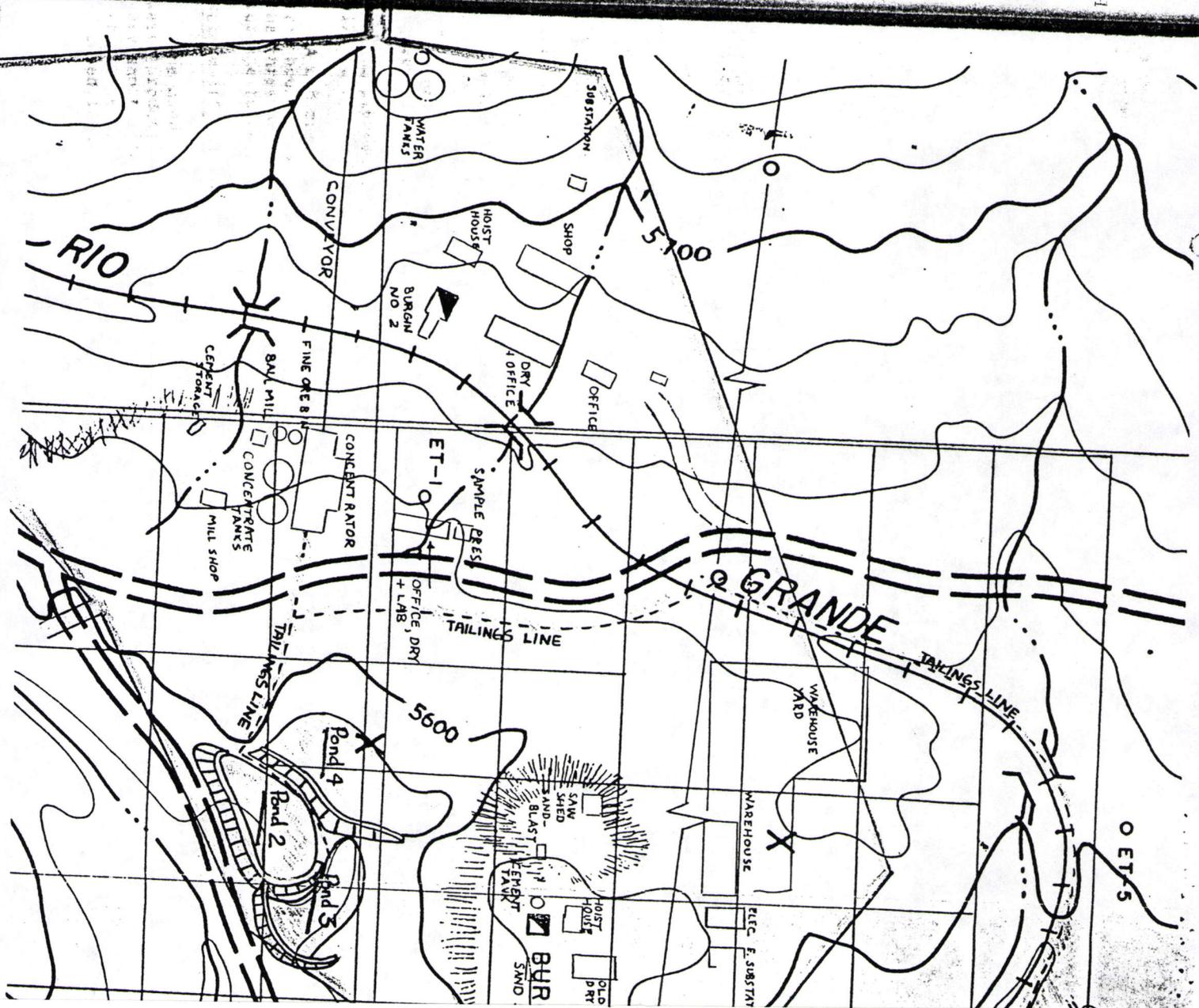
If you have any questions regarding this matter please call me at (801) 538-5310 or Tony Gallegos at 538-5267.

Sincerely,

Tom Munson  
Reclamation Specialist  
Minerals Reclamation Program

jb  
Attachments: two maps, partially completed MR-RC  
cc: Tom Gast, EMS  
M49-09-ltr2

Figure 1. Site vicinity map.





**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**  
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/009  
(Mineral Mined) Pb, An & Ag

"MINE LOCATION":  
(Name of Mine) Burgin Mine  
(Description) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA":  
(Disturbed Acres) 118.5  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) TINTIC UTAH METALS LLC  
(Address) 15988 Silver Pass Road  
Eureka, Utah 84628  
  
(Phone) 435-433-6606

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

C T CORPORATION

50 West Broadway 8th Floor

Salt Lake City, UT 84101

(Phone)

(801) 364-5101

"OPERATOR'S OFFICER(S)":

Paul C. Spor, Executive Director

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Frontier Insurance Co. ~~XXXXXXXXXX~~

"SURETY AMOUNT":

(Escalated Dollars)

\$350,000

"ESCALATION YEAR":

1997

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Tintic Utah Metals LLC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/009 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 3, 1985, and the original Reclamation Plan dated June 3, 1985. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
Lowell P. Braxton, Director

\_\_\_\_\_ Date

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_,  
personally appeared before me \_\_\_\_\_, who being  
duly sworn did say that he/she, the said \_\_\_\_\_  
is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources,  
State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing  
document by authority of law on behalf of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

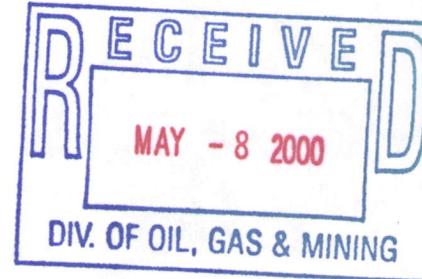
Attachment "A"

Tintic Utah Metals LLC  
 Operator  
M / 049/009  
 Permit Number

Burgin Mine  
 Mine Name  
Utah County, Utah

The legal description of lands to be disturbed based on the 1985 Reclamation Contract is:

Facility	1/4	1/4	Sec.	T	R
Orig. Permit, 1986					
Apex No. 2	SE	NW	22	10S	2W
Hunter Shaft	SE	SW	15	10S	2W
Burgin Complex	SE	SE	15	10S	2W
Tailings Disposal	NW	NE	14	10S	2W
Settling Ponds		NE	18	10S	1W
Tot. 1986 Approval					
06/12/85 Approval					
Ponds 2,3 &4	SE	SE	15	10S	2W
12/8/1986 Approval					
Ponds A, B, C	NE	SE	15	10S	2W
12/9/1992 Approval					
Zuma Clay Pit	SE	NW	21	10S	2W



The acreage based on the 1985 Reclamation Contract is:

Facility	Permit ac.	Bonded Disturbance	Actual Disturbance	Reference
Original Permit, 1986				
Apex No. 2	2.8	2.8	2.8	2
Hunter Shaft	10.0	7.2	0.0	1
Burgin Complex	57.9	29.4	29.4	1
Tailings Disposal	41.4	28.7	0.0	1
Settling Ponds	180.0	36.1	0.0	1
Total 1986	292.10	104.2	32.2	
06/12/85 Approval				
Ponds 2,3 &4	2.2	2.2	2.2	3
12/8/1986 Approval				
Ponds A, B, C	28.7	10.1	0.0	4
12/9/1992 Approval				
Zuma Clay Pit	7.0	5.0	5.0	3
Totals	379.1	118.5	39.4	